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<b>TO:</b>	Overview & Scrutiny  Executive
<b>DATE:</b>	Thursday 15 June 2023  Thursday 23 June 2023
<b>EXECUTIVE MEMBER:</b>	Deputy Leader and Portfolio Holder for Finance and Governance

<b>KEY DECISION REQUIRED:</b>	NO
<b>WARD (S) AFFECTED:</b>	ALL

<b>SUBJECT:</b>	<b>Revenues, Benefits &amp; Fraud, Service Update</b>
<b>RECOMMENDATIONS:</b>	
<b>That the Overview and Scrutiny Committee:</b>	
<ul style="list-style-type: none"> <li>(i) <b>Provide any observations to Executive on the plans for continued development of the Revenues, Benefits and Fraud service's joint-working with other councils and external bodies, specifically with Tandridge District Council.</b></li> </ul>	
<b>That Executive:</b>	
<ul style="list-style-type: none"> <li>(i) <b>Endorses the continued development of the Revenues, Benefits and Fraud service's joint-working with other councils and external bodies; and</b></li> </ul>	

- (ii) **Endorses the development of shared services for Revenues and Benefits with Tandridge District Council, noting the intention to create a Centre of Excellence across the two councils**

**REASONS FOR RECOMMENDATIONS:**

To provide an update on the joint-working that Revenues, Benefits & Fraud team carries out with other councils and organisations and seek endorsement to continue.

**REASONS FOR RECOMMENDATIONS:**

To provide an update on the joint-working that Revenues, Benefits & Fraud service carries out with other councils and organisations and seek endorsement to continue.

**EXECUTIVE SUMMARY:**

This report provides an update on the joint work that has been undertaken by the Revenues, Benefits and Fraud service with other authorities and external bodies.

It also sets out plans for further development which includes pursuing a shared approach to Revenues, Benefits & Fraud services with Tandridge District Council, ultimately moving towards a joint Centre of Excellence. A plan for implementation is now being developed.

**STATUTORY POWERS**

1. Section 113 of the Local Government Act 1972 states that a local authority may enter into an agreement with another local authority for the placing at the disposal of the latter for the purposes of their functions, on such terms as may be provided by the agreement, of the services of officers employed by the former, but shall not enter into any such agreement with respect to any officer without consulting him.
2. Section 93 of the Local Government Act 2003 empowers councils to charge for any discretionary services on a cost recovery basis.

**BACKGROUND**

3. Provision of work for other local authorities by the Council's Revenues, Benefits and Fraud service began in 2015 and has developed across several key areas of work, including counter fraud, debt recovery, property inspections, IT system support, business rates and housing benefits. Significantly, the Council provides full counter-fraud services to five other Surrey boroughs as well as several housing providers. By 2023/24 these services are now being provided to at least 28 separate organisations.
4. A key benefit of this arrangement is that it helps ensure that our own service is able to maintain capacity, skills, flexibility and resilience to meet this authority's

service requirements while sharing staff costs and a contribution towards service overheads with external customers. It also provides opportunities for staff to gain experience and skills which has positive impacts on recruitment and retention. .

## KEY INFORMATION

### Current Service Context

5. The primary objectives for the Revenues and Benefits service, as set out in the service's 2023/24 business plan are:
  - To maintain high collection rates for Council Tax and Business Rates, identify and prevent fraud against the Council, maximise income through debt recovery and ensure correct payment of Housing Benefit avoiding fraud and subsidy loss;
  - Further development of our commercial and shared services with other local authorities and organisations. Enhancement of our private sector partnerships and examining potential efficiencies and income through working closer with Surrey local authorities;
  - Review of our customer engagement through technology, which will include extension of e-Revenues and e-Benefits services for residents, automation, and e-billing in the drive to reduce increasing postal costs and reduce our carbon footprint;
  - Succession management – to develop future managers within the service, and ensure that there is a plan in place to ensure high performance of Council services, and management of external contracts.
6. Developing joint working as a means of delivering the above is a key element of the approach to service delivery.

### Joint-Working with Tandridge District Council

7. During 2022/23, following an approach from Tandridge District Council (TDC), the two authorities jointly commissioned consultants, who were already supporting TDC with a transformation programme, to explore the service delivery options available.
8. The aim of the review was to develop an outline business case to enable both Councils to make an informed decision on whether to proceed with one of options identified.
9. The review was based on an analysis of the cost, structure and performance metrics for each service, along with potential to generate external income.
10. The review identified four potential options for a shared service:

- (i) Tactical sharing – e.g. counter fraud initiatives, digital / IT, taxbase maximisation, channel shift. This would build on the approach that this authority has already adopted when working with other organisations;
- (ii) Tactical sharing as set out at (i) plus shared management and support – as (i) above but with integrated posts where possible;
- (iii) Lead council model with a fully integrated service – including a common structure and fully integrated approach to service delivery; and
- (iv) Centre of Excellence – structured to deliver commercial opportunities and a competitive and attractive offer to other councils

11. The options were assessed against the following criteria:

- Service resilience
- Service improvement
- Risks
- Financial benefits
- Staff impacts
- Flexibility
- Commercial income potential
- Ability to deal with external changes

#### Outcome of the Review

12. The outcome was to conclude that all four options were viable but that a movement towards option (iv) a Centre of Excellence is most likely to offer the best outcome in terms of cost reduction/income generation potential and enhanced resilience.
13. The review was reported to TBC's Strategy and Resources Committee on 30 March 2023. Members endorsed the development of shared services for TDC's Revenues and Benefits service with this authority, noting the intention to create a Centre of Excellence across the two Councils and plans to develop a full business case
14. It was agreed that this report would also be submitted to this Council's Executive to seek equivalent endorsement of the planned approach.

#### Creation of a Centre of Excellence

15. Both services intend to move towards a Centre of Excellence model on a carefully managed and phased basis, rather than as a potentially destabilising 'big bang' implementation.
16. Taking controlled steps towards joint working allows each service to demonstrate its commitment to collaboration whilst minimising any impacts on service delivery.
17. Retaining the expertise and knowledge of staff will be key to maintaining and building a resilient and commercially attractive service.

18. The next step will be to adopt a joint phased implementation plan which takes advantage of immediate opportunities for tactical collaboration, some of which are already in place, and move towards a greater degree of sharing over time.

19. Immediate tactical improvements include:

- Recruitment a Property Inspector to deliver property inspections on behalf of both councils with potential to roll-out to others, supplementing existing capacity within each Council;
- Agreeing a Memorandum of Understanding for Fraud work, drawing on this Council's expertise and capacity to review TDC's approach to fraud Governance and to undertake defined pieces of anti-fraud work; and
- Joint participation in a County-wide single person discount review, with RBBC playing a lead role in promoting the initiative.

Potential for Additional Income Generation

20. As highlighted above, this Council's service already generates income by collaborating with other organisations to provide services. Both councils see an opportunity to expand these activities by drawing on the collective knowledge and experience of their teams.

21. There may also be further opportunities to operate on a more wide-ranging commercial basis over time, however this would need to be considered alongside the appropriate operating structure to ensure compliance with legislation governing local authority commercial activity.

Next Steps

22. The focus is now on progressing the timetable for delivery:

Activity	Timetable	Owner
<b>Progress to Date</b>		
TDC - Service Review Phase 1 and Restructure.	January to April 2023	TDC CFO
Options appraisal for shared services and other models delivered by PeopleToo.	February 2023	TDC CFO RBBC CFO and Revenues, Benefits & Fraud Head of Service
Delivering MoU for provision of Fraud Services	February 2023	Revenues, Benefit & Fraud Leads

Activity	Timetable	Owner
Strategy and Resources Committee Approval of recommended approach	March 2023	TDC CFO
<b>Future Steps</b>		
Kick-off meeting for shared approach, including Chief Executives discussing with staff	May 2023	TDC CX/CFO RBBC Managing Director, CFO and Revenues, Benefits & Fraud Head of Service
Formulate opportunities	July 2023	Revenues, Benefit & Fraud Leads
Identify risks	July 2023	Revenues, Benefit & Fraud Leads
Agree opportunities to pursue	August 2023	TDC CFO RBBC CFO and Revenues, Benefits & Fraud Head of Service
Agree implementation plan	September 2023	TDC CFO RBBC CFO and Revenues, Benefits & Fraud Head of Service
Deliver implementation	Subject to above	Revenues, Benefit & Fraud Leads

## OPTIONS

23. The Overview and Scrutiny Committee has two options:

**Option 1:** Note the report with no observations to the Executive.

**Option 2:** Note the report and make any observations to the Executive.

24. The Executive has two options:

**Option 1:** Approve the report and make no observations/comments

**Option 2:** Approve the report and make any observations/comments

## LEGAL IMPLICATIONS

25. The Council will ensure that it carries out services within the boundaries of the Local Government Act 1972 and Local Government Act 2003. All agreements that are in place are supported by an agreed template or Memorandum of Understanding.

## FINANCIAL IMPLICATIONS

26. The Revenues, Benefits and Fraud service's revenue budget for 2023/24 is £2.16 million; it employs 54.0 FTE.

	<b>Budget 2023/24</b>
	<b>£000s</b>
Employee Costs	2,456.8
Supplies & Services	349.0
Travel Costs	11.5
<b>Gross Expenditure</b>	<b>2,817.3</b>
Grants & Third Party Contributions	(361.5)
Income from Fees & Charges	(294.6)
<b>Net Expenditure</b>	<b>2,161.2</b>

	<b>Budget 2023/24</b>
	<b>£000s</b>
Rent Allowances	547.9
Counter-Fraud	312.1
Council Tax	605.2
NNDR and Debt Recovery	329.9
Business Support	395.7
Commercial Trading (Net)	(29.6)
<b>Net Expenditure</b>	<b>2,161.2</b>

27. The budget includes £0.600 million income from external contracts and joint-working which income covers the cost of staff directly employed on work for other organisations plus a contribution towards management overheads.

## EQUALITIES IMPLICATIONS

28. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination harassment and victimisation and any other conduct prohibited under the Act;
  - Advance equality of opportunity between people who share those protected characteristics and people who do not; and
  - Foster good relations between people who share those characteristics and people who do not.

29. The three parts of the duty applies to the following protected characteristics: age; disability; gender reassignment; pregnancy/maternity; race; religion/faith; sex and sexual orientation. In addition, marriage and civil partnership status applies to the first part of the duty.
30. Any changes to staff roles as a consequence of joint-working will be implemented with consideration to these duties.

### **COMMUNICATION IMPLICATIONS**

31. There are no communications implications arising from this report

### **ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS**

32. There are no additional environmental sustainability implications arising from this report.

### **RISK MANAGEMENT CONSIDERATIONS**

33. There are no additional risk management implications.

### **CONSULTATION**

34. The Portfolioholder for Finance & Governance has been consulted on the proposals and is provided with regular progress updates.
35. Any changes to staff roles as a consequence of joint-working are subject to consultation in line with the Council's human resources policies and procedures.

### **POLICY FRAMEWORK**

36. The proposals in this report are compliant with the Council's Policy framework and Constitution.